## Senate Study Bill 1175 - Introduced

SENATE FILE		
ВУ	(PROPOSED COMMITTEE ON	J
	WAYS AND MEANS BILL BY	Z
	CHAIRPERSON DAWSON)	

## A BILL FOR

- 1 An Act allowing certain deductions relating to the paycheck
- 2 protection program loan forgiveness.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

S.F. \_\_\_\_

- 1 Section 1. FEDERAL PAYCHECK PROTECTION PROGRAM.
- 2 Notwithstanding any other provision of the law to the contrary,
- 3 for any tax year ending after March 27, 2020, Division N, Tit.
- 4 II, subtit. B, §276 and §278(a), of the federal Consolidated
- 5 Appropriations Act, 2021, Pub. L. No. 116-260, applies in
- 6 computing net income for state tax purposes under section 422.7
- 7 or 422.35.
- 8 EXPLANATION
- 9 The inclusion of this explanation does not constitute agreement with 10 the explanation's substance by the members of the general assembly.
- 11 This bill allows certain deductions relating to the paycheck 12 protection program loan forgiveness.
- 13 Under current law, for the tax year 2020 and later, Iowa
- 14 law fully conforms with the federal treatment of forgiven
- 15 paycheck protection program loans and excludes such amounts
- 16 from net income and allows certain deductions for business
- 17 expenses paid using those loans. For fiscal-year filers who
- 18 received paycheck protection program loans during the 2019 tax
- 19 year, current law excludes such amounts from net income, but
- 20 does not allow certain deductions for business expenses paid
- 21 using those loans. The bill fully conforms with federal law
- 22 for those fiscal-year filers who previously were excluded from
- 23 such conformity and allows such filers to take business expense
- 24 deductions using federal paycheck protection program loan
- 25 proceeds that were forgiven.